GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:890
ANSWERED ON:24.02.2006
REDUCTION IN POSTAL CHARGES
Kharventhan Shri Salarapatty Kuppusamy

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the utilization of postal services has been drastically reduced during the last few years due to advancement of E-mail, telephones, mobile and internet services;

(b) if so, the details thereof;

(c) whether the postal department has incurred huge losses during the last three years;

(d) if so, the details thereof, year-wise and the reasons therefor;

(e) whether the Government propose to reduce the rates of postal charges and improve the postal services; and

(f) if so, the details thereof and the steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) & (b) Post Offices have a wide range of services. There is a continuous growth in traffic and revenues earned from business of premium products like Speed Post, Business Post, Express Parcel Post and Retail Post. Revenue and traffic figures of premium products during last three years are given in part (a) of the Annexure.

Likewise, business both in Postal Life Insurance and rural Postal Life Insurance has also shown an upward trend. Sum assured and premium income in PLI and RPLI during last three years are given in part (b) of the Annexure.

There is a general increase in savings Bank and Savings Certificate business in post offices also as seen from part (c) of the Annexure.

However, there is a decline in traffic pertaining to traditional mail over the years due to advancement of alternative communication media like E-mail, telephone, mobile and internet services, and the service provided by private couriers to the public

(c) & (d) The deficit of the Department during the last three years is as under:

Year 2002-03 Rs. 1364.40 crores
Year 2003-04 Rs. 1375.22 crores
Year 2004-05 Rs. 1381.84 crores

(e) & (f) At present, there is no proposal to reduce the rates. The Department has comprehensively inducted technology to meet customer expectations, to manage different operations, to enhance its efficiency and to contain costs. These interventions have been undertaken to improve quality of service.

ANNEXURE

a) Revenue & traffic figure of the premium products during last three years

Traffic (in crore) and revenue (Rs in crores)

	2002-03		2003-04		2004-05	
Products	Traffic	Revenue	Traffic	Revenue	Traffic	Revenue
Speed Post	6.34	243.01	8.27	298.35	9.60	354.16
Business	49.58	276.86	65.36	365.11	77.80	473.06

Post						
Express	0.58	26.10	0.67	31.45	0.66	37.70
Parcel Post						
Retail Post	1.15	7.87	4.64	33.65	8.15	50.50

b) Sum assured and premium income in PLI and RPLI during last three years

Year	PLI		RPLI	
	Sum assured (Rs.in crores)	Premium income (Rs.in crores)	Sum assured (Rs.in crores)	Premium income (Rs.in crores)
2002-03	2110.21	590.84	3347.94	171.35
2003-04	2846.66	698.17	5949.97	245.32
2004-05	3830.64	904.58	7207.96	380.87

c) Statement showing increase in SB & SC work in post offices during the last three years.

Year	Gross funds handled (Deposits & withdrawal) (Rs.in crore)	No. of saving accounts (all types) in crore	Saving certificate deposits (Rs. in crore)
2002-03	105128	14.91	33190
2003-04	139855	14.42	39166
2004-05	183801	16.15	33718